

### Forming the FY 2020 Operating Budget

### **Major Revenue Impact**

- INCREASE in Real Estate Assessments across each property classifications
  - Growth equally balanced between residential and commercial/industrial markets
- Continued growth in other local taxes at a slower pace
- No new taxes, no changes in tax rates



### Forming the FY 2020 Operating Budget Major Expense Considerations

- Increased Debt Service for City and School Capital Projects
- Investment in Employee Compensation, including full year funding of Public Safety salary adjustments of current year
- Increased Operational Efficiencies
- Maintenance of programs and services

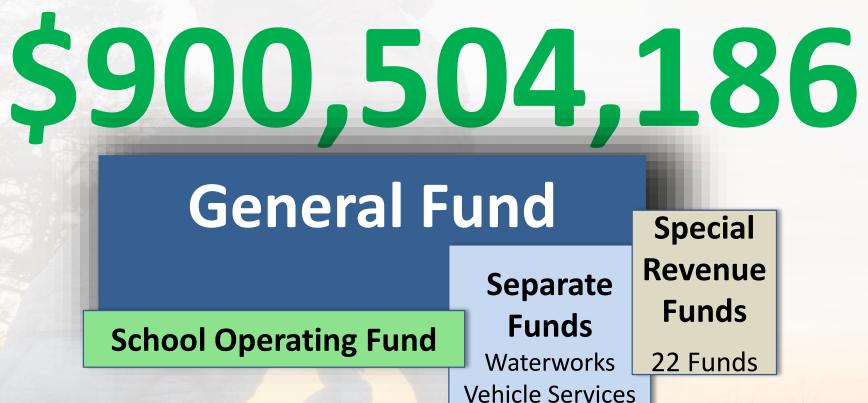


### Forming the FY 2020 Operating Budget Major Budgetary Focus

- Solidifying Public Safety, advancing current momentum
- Promote Community Revitalization
- Supports an environment that promotes Financial Stability and Health of all Community members



### City of Newport News FY 2020 Total Operating Budget



**CDBG Funds** 

# Total Operating Budget OVERVIEW

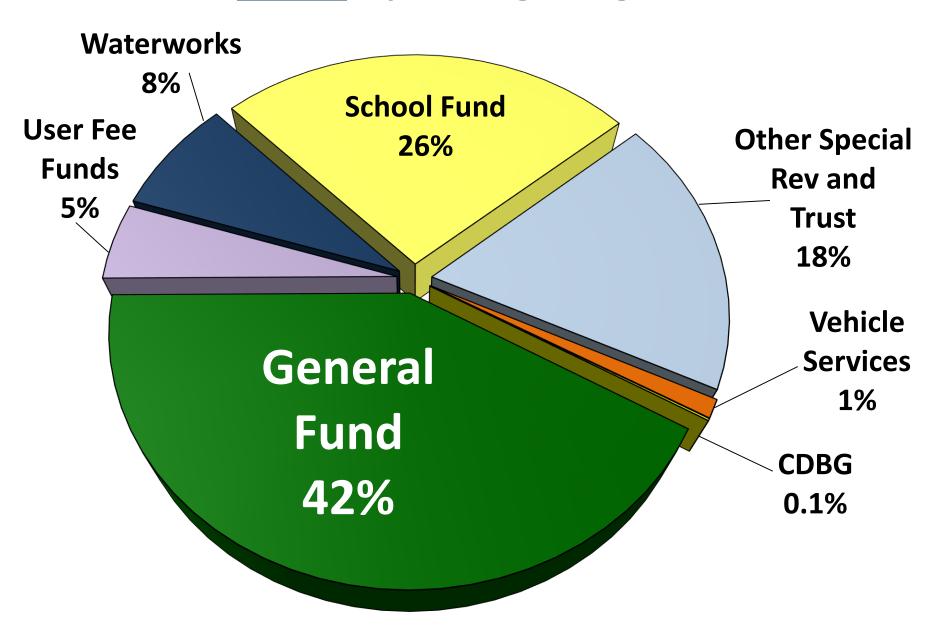


	FY 2019	FY 2020	\$	%
\$ figures in millions	Adopted	Manager Rec	Change	Change
General Fund	\$486.9	\$497.6	\$10.7	2.2%
City Support to Schools				
Operations	110.9	110.9	0.0	0.0%
Debt Service	8.1	8.8	0.7	8.6%
Total School Budget*	304.9	314.2	9.3	3.1%
Waterworks Fund	91.7	93.7	2.0	2.2%
User Fee Funds	58.6	59.6	1.0	1.7%
All Other Special Revenue	227.4	222.0	4.0	2.20/
& Trust Funds	227.1	232.0	4.9	2.2%
Total Operating Budget <sup>†</sup>	\$882.8	\$900.5	\$17.2	2.0%

<sup>\*</sup>Superintendent's Recommended Budget reflecting Recommended City support

<sup>&</sup>lt;sup>†</sup>Less Interfund Transfers of \$296.7 million

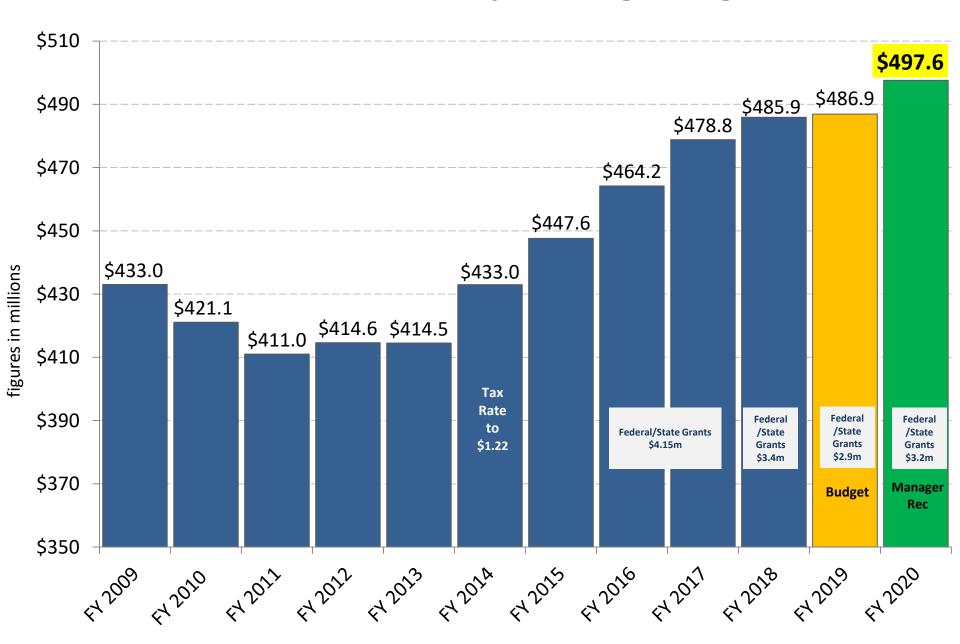
### FY 2020 *TOTAL* Operating Budget – All Funds



## General Fund Revenue



### **General Fund Operating Budget**

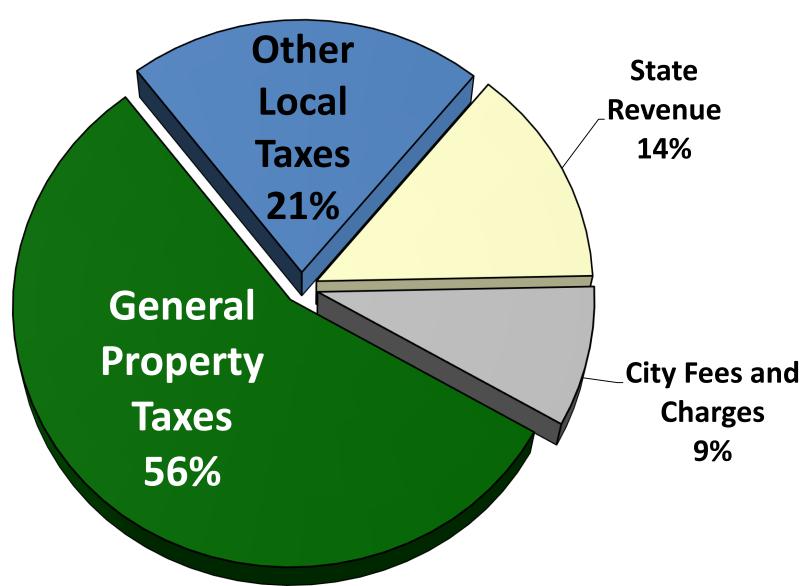


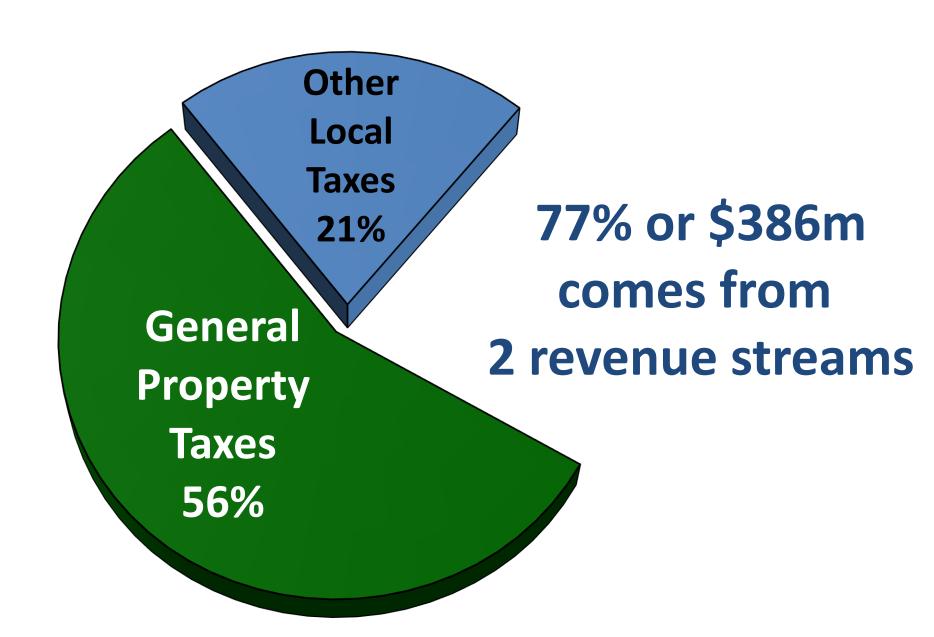
### **Change in General Fund Revenues**

	FY 2019	FY 2020	\$	%
\$ figures in millions	Adopted	Manager Rec	Change	Change
Real Estate Tax <sup>1</sup>	\$193.0	\$196.1	\$3.1	1.6%
Personal Property Tax	54.8	56.5	1.7	3.1%
Machinery and Tools Tax	23.1	24.4	1.3	5.6%
BPOL Tax	17.1	16.9	(0.2)	(1.2%)
Sales Tax	24.8	25.8	1.0	4.0%
Meal Tax	25.9	26.7	0.8	3.1%
State Aid	66.8	68.3	1.5	2.2%
All Other Taxes / Fees	78.5	79.7	1.2	1.5%
Federal/State Grant Funds	2.9	3.2	0.3	10.3%
Total Operating Budget	\$486.9	\$497.6	\$10.7	2.2%

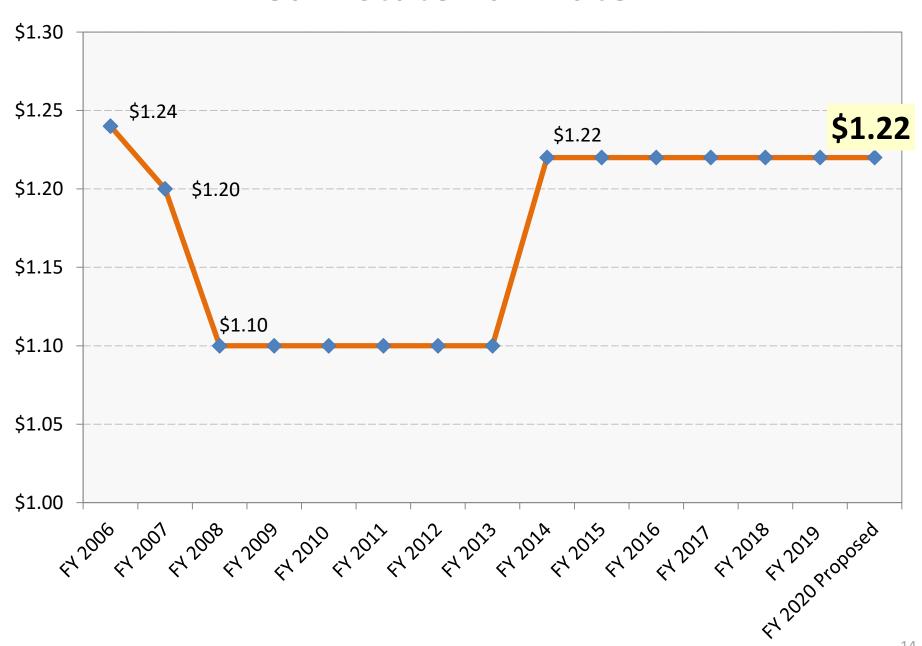
<sup>&</sup>lt;sup>1</sup> Includes Current, Delinquencies, Public Service Corporations, Tax Relief

### General Fund Revenue FY 2020 Recommended Budget - \$497.6 million

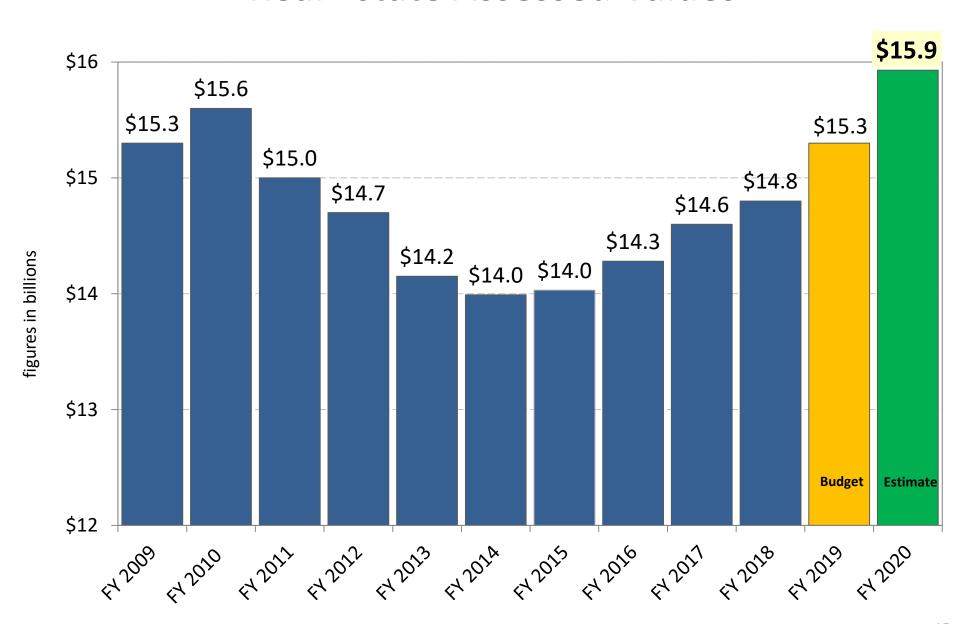




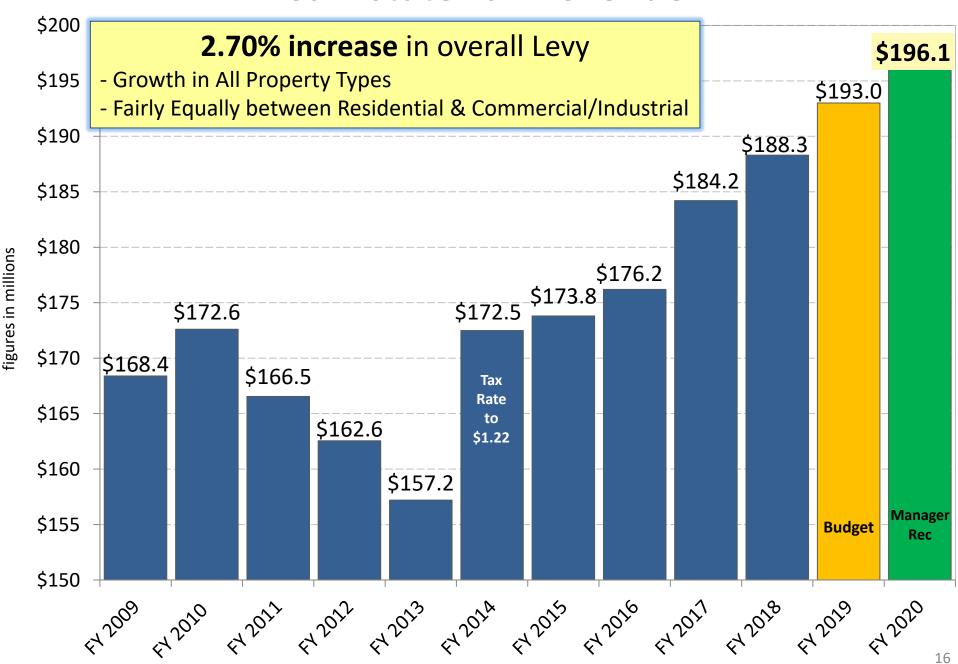
### **Real Estate Tax Rate**



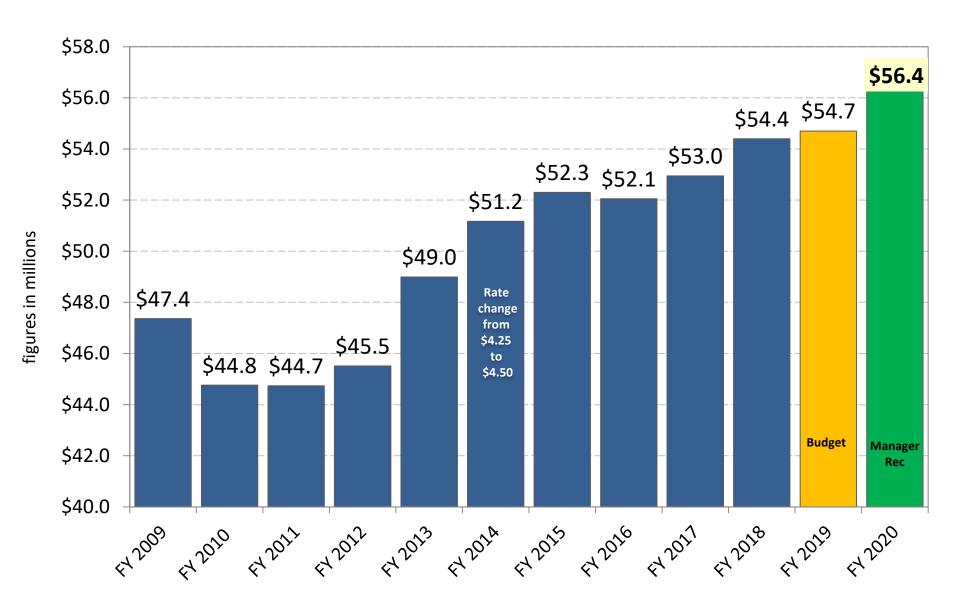
### **Real Estate Assessed Values**



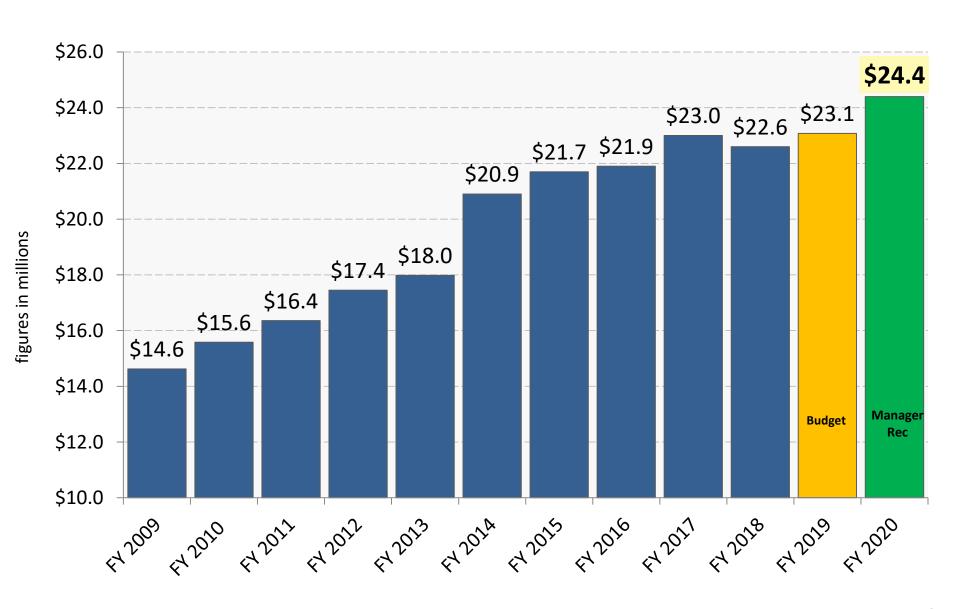
### **Real Estate Tax Revenue**



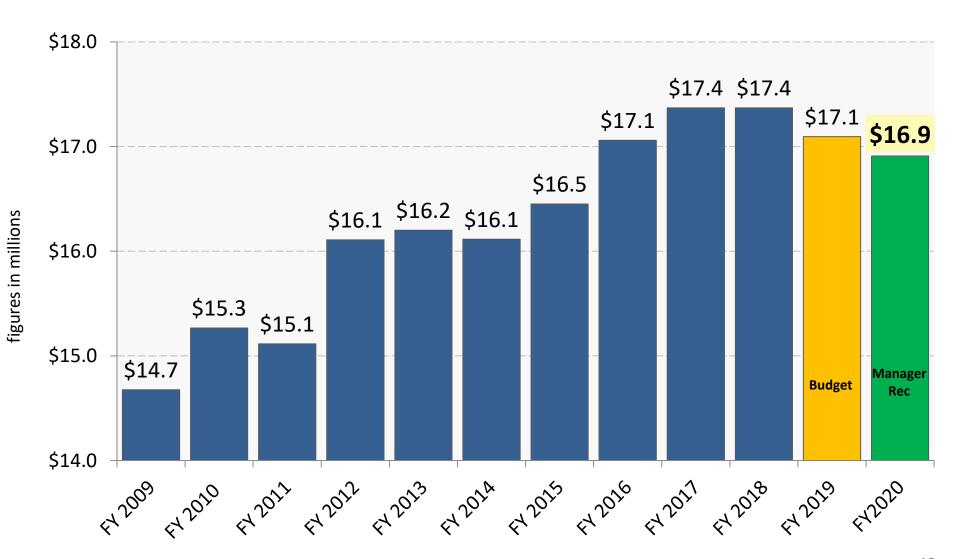
### **Personal Property Taxes**



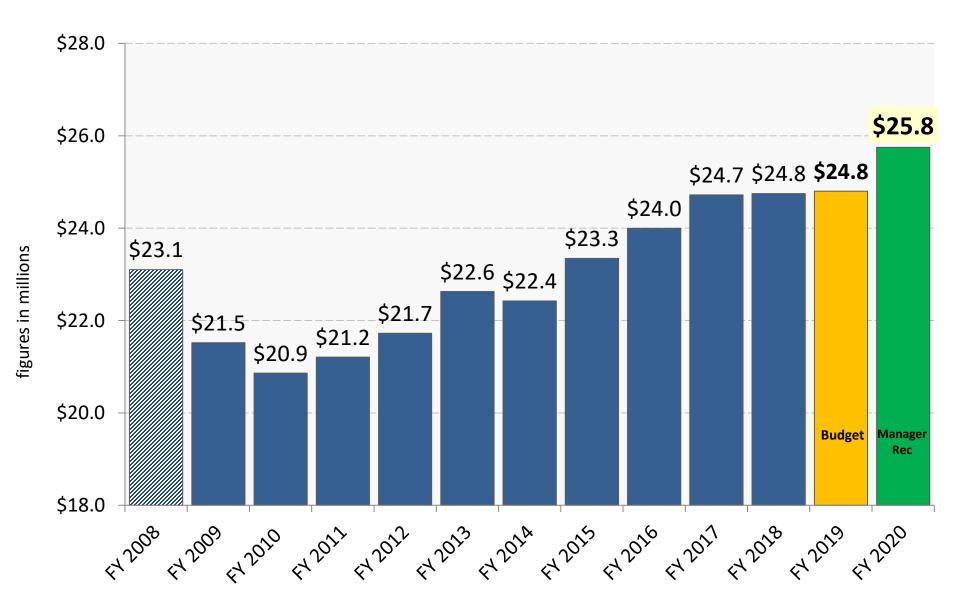
### **Machinery and Tools Taxes**



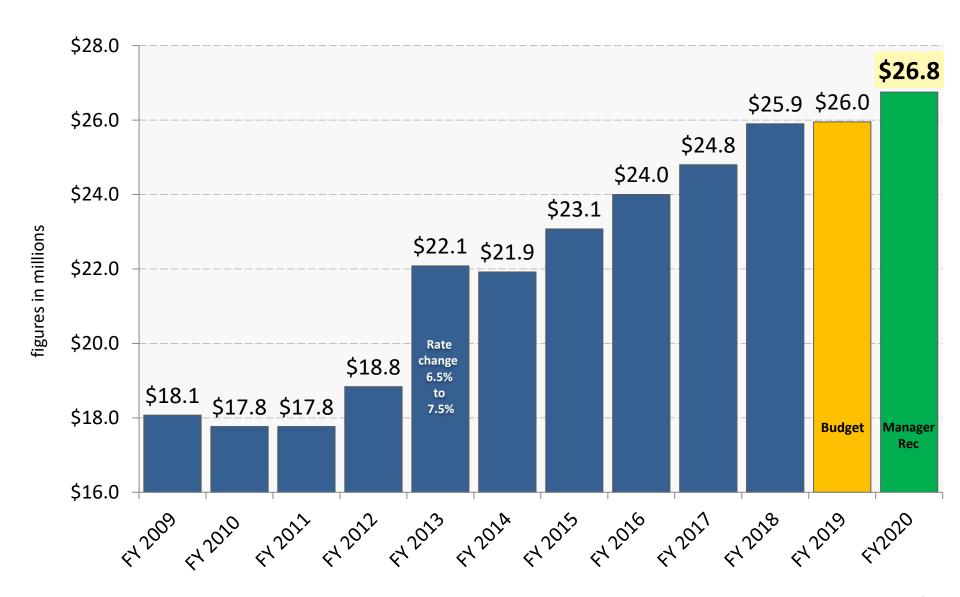
### Business, Professional and Occupational License Taxes



### **Sales Tax**



### **Meal Tax**



# General Fund Expenses



### General Fund Expenditure Changes

- Debt Service Increase for City and School Capital Projects
- Employee Compensation
- Baseline Budget helped lead to Repurposed expenses to support Public Safety, Community Revitalization, supports an environment that promotes Financial Stability and Health of all Community members
- Contractual Obligations

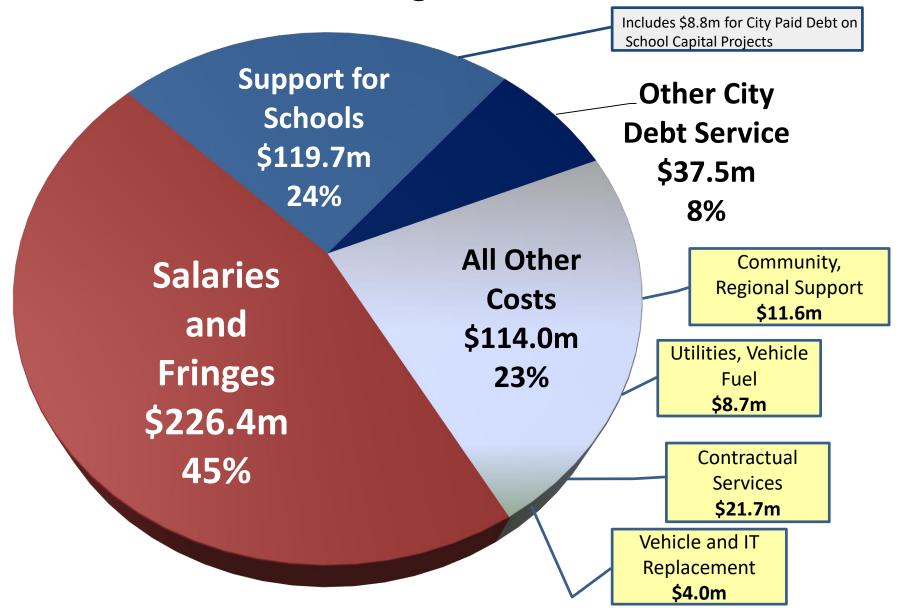


### **General Fund Expenditures**

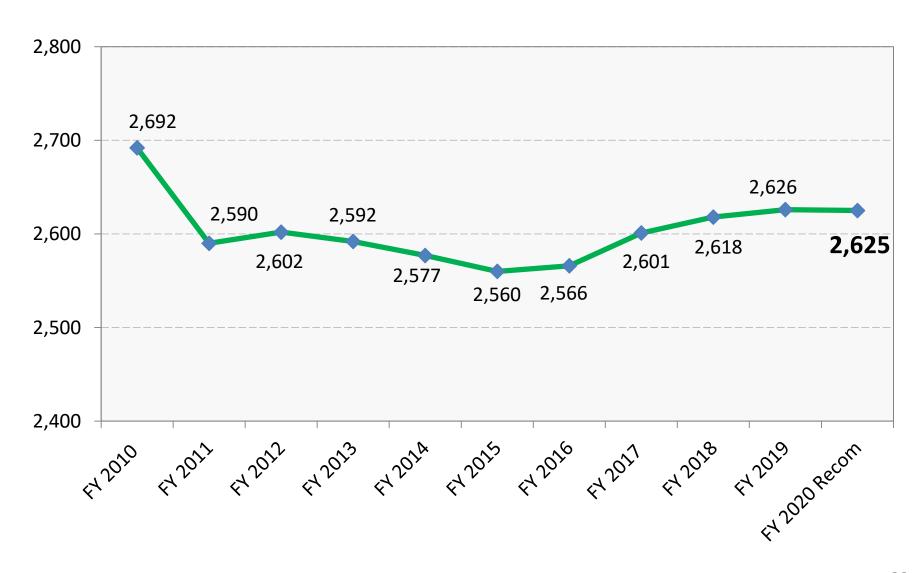
		FY 2020		
	FY 2019	Manager	\$	%
\$ figures in millions	Adopted	Recom	Change	Change
Personnel Salaries	\$146.8	\$150.7	\$3.9	2.7%
Fringe Benefits <sup>1</sup>	77.0	75.6	(1.4)	(1.8%)
City Support for Schools				
Operations	110.9	110.9	0.0	0.0%
Debt Service	8.1	8.8	0.7	8.6%
City Debt Service	34.8	37.5	2.7	7.8%
Contractual Services	20.2	21.7	1.5	7.4%
All Other Operating Costs	86.2	89.2	3.0	3.5%
Federal/State Grants	2.9	3.2	0.3	10.3%
Total Expenditures	\$486.9	\$497.6	\$10.7	2.2%

<sup>&</sup>lt;sup>1</sup> Includes FICA, Retirements, OPEBs, Group Health, Dental, Vision Care, Group Life, Workers' Comp

### **General Fund Expenditures FY 2020 Recommended Budget - \$497.6 m**



### **General Fund Positions**



### **FY 2020 Position Changes General Fund**

### Net Reduction of One Position:

13 positions eliminated, 12 new positions added

#### -13 Position Reductions:

Community Maintenance reassignment to the Sheriff's Office resulted in 13 positions being eliminated: 10 Correctional Officers, 1 Community Maintenance Administrator, 1 Corrections Sergeant, and 1 Senior Corrections Officer

#### +12 Positions Added:

3 Police Officers, 2 **Assistant Commonwealth** Attorneys, 1 FOIA Technician, 1 Community Paramedicine Officer, 1 Assistant Fire Chief, 1 Codes Permit Technician, 1 Parks Maintenance Specialist, 1 Graphics Specialist, and 1 Grant Writer



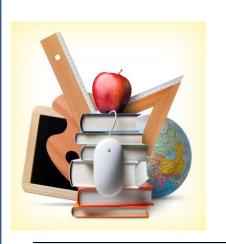
### FY 2020 Major Adjustments

Average 2% Salary Adjustment	\$2.8 million
Increase City Debt Service	\$2.7 million
Increase Schools Debt Service	\$737,331
Increase in Local, State, Federal Grant Match	\$485,000
<b>Brooks Crossing Opportunity Center</b>	\$348,420
Four Oaks Day Service Center	\$278,037
Increase for City's Local Match CSA	\$250,000
Increased Cash Capital	\$217,300
Group Health Ins. Plan Management Savings	(\$975,597)
Retirement Adjustments – NNERF and VRS	(\$701,821) and \$601,747



### Other Funds





### **Local Funding for Schools**

\$119,737,331

FY 2020

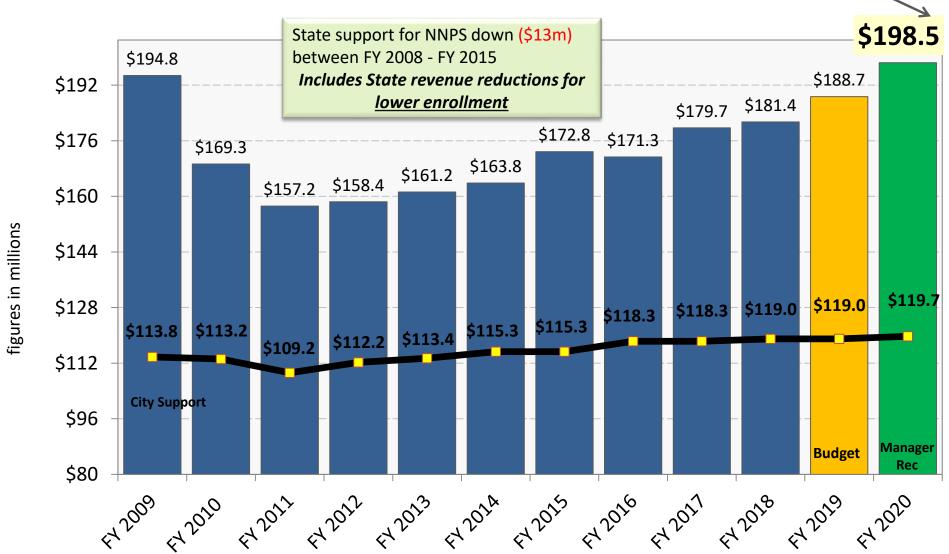
- Increased Debt Service cost \$737,331
- State revenue estimated to increase by \$9.7 m

FY 2019

	Adopted	Recommended
Total General Fund Support	\$119,000,000	\$119,737,331
Comprised of:		
Base School Support for Operations	\$107,879,737	\$107,879,737
School Technology Plan Operations	2,409,570	2,409,570
Grounds Maintenance	600,000	600,000
School Debt Service Paid By City	8,110,693	8,848,024

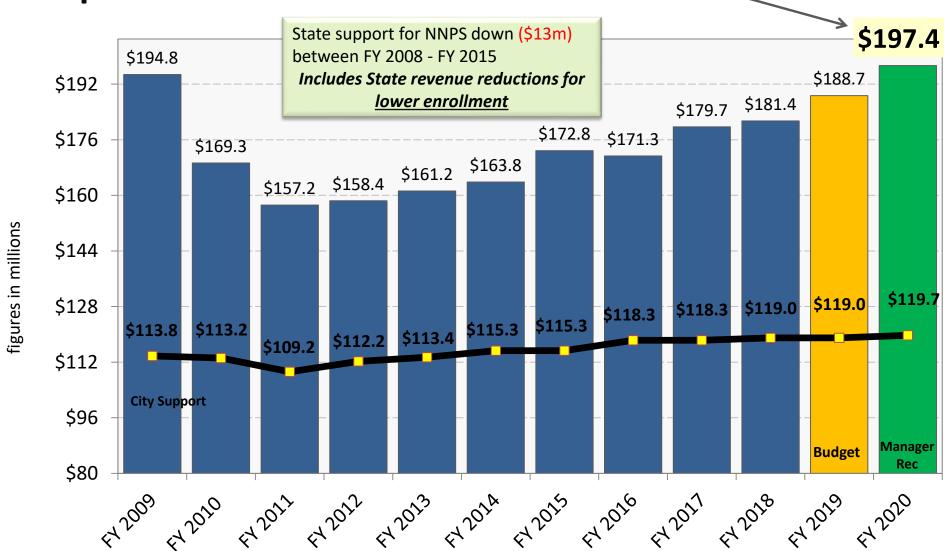
### State Support for Newport News Public Schools





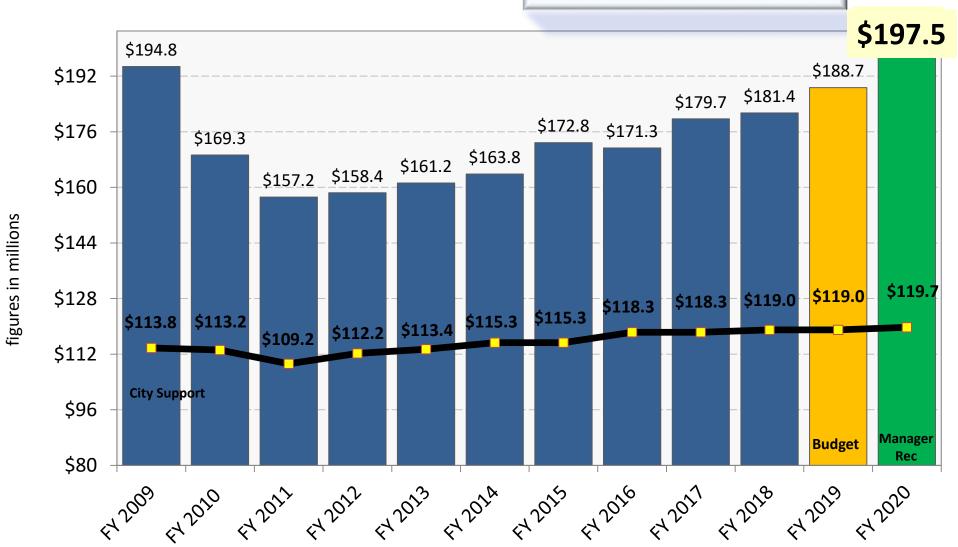
State Support for Newport News Public Schools





### State Support for Newport News Public Schools

**\$16 m** in new State Funds in 2 Years





#### Waterworks

\$93,740,000

Operating increase of \$2.0 m or 2.1%



### **Solid Waste**

\$14,817,000

Operating increase of \$131,000 or 0.9%



#### **Wastewater**

\$21,778,000

No Operational Changes



#### **Stormwater**

\$22,958,000

- Operating increase of \$870,000 or 3.9% from the current fiscal year
- Impact of Federal and State Stormwater Regulation
- 2 major components
  - MS4 Municipal Separate Storm Sewer System
  - TMDL Total Maximum Daily Load; Chesapeake Bay Preservation Act
- Increase for salary adjustment and expanded debt to meet regulations along with baseline budget adjustments based on current and historical trends



#### **Stormwater**

\$22,958,000

 Stormwater Management Fee – Proposed rate increase. Amount recommended is 25 cents per month, for a total annual cost of \$3.00 per ERU.

	FY 2019	FY 2020
Rate structure changes	Current	Recommended
Stormwater Management Fee		
Rate/ ERU per month	\$11.60	\$11.85
Annual Rate per 1 ERU	\$139.20	\$142.20

### Next Steps



- ✓ City Council adopts Public Hearing Schedule
- ✓ Topic-specific presentations during April Work Sessions
- ✓ Budget available on City's webpage at <a href="http://www.nnva.gov">http://www.nnva.gov</a>
- ✓ Print copies available at each public library and in the Budget & Evaluation Department
- ✓ FY 2020 Budget Advertisement for Public Hearings will be in the *Daily Press* on *March 31st and April 1st*
- ✓ Contact Department of Budget and Evaluation at 926-8733

### Questions



# Thank you!

